73213-1

ASSOCIATION OF AMERICAN RAILROADS

THIRD QUARTER
R&E Series No. 711
November 10, 1982

RAILROAD REVENUES, EXPENSES, AND INCOME

CLASS I RAILROADS IN THE UNITED STATES

(Dollars in thousands)

ACCOUNT	FOR THE THIRD QUARTER 1982	FOR THE THIRD QUARTER 1981	PERCENT INCREASE 1982 OVER 1981	FOR THE NINE MONTHS ENDED SEPT. 30 1982	FOR THE NINE MONTHS ENDED SEPT. 30 1981	PERCENT INCREASE 1982 OVER 1981
REVENUE						
FREIGHT	$ 6 148 143	$ 7 631 959	D 17.4	$ 19 601 102	$ 21 734 537	D 9.8
PASSENGER	145 204	144 413	.5	432 431	391 368	10.4
PASSENGER RELATED	2 492	2 960	D 15.8	7 776	8 540	D 8.9
ALL OTHER OPERATING REVENUE	312 443	360 898	D 13.4	969 562	1 050 872	D 7.7
JOINT FACILITY ACCOUNT	4 267	4 063	5.0	13 982	14 209	D 1.5
TOTAL OPERATING REVENUES	6 612 549	7 963 691	D 16.9	21 024 853	23 199 518	D 9.3
EXPENSES						
DEPRECIATION-ROAD	55 574	53 161	4.5	166 810	156 214	6.6
ALL OTHER WAY AND STRUCTURES	1 376 116	1 531 148	D 10.1	3 825 025	4 021 474	D 4.8
TOTAL WAY AND STRUCTURES	1 431 690	1 584 289	D 9.6	3 991 835	4 177 688	D 4.4
DEPRECIATION-EQUIPMENT	251 710	250 933	.3	763 706	747 797	2.1
ALL OTHER EQUIPMENT	1 264 718	1 442 136	D 12.3	4 127 120	4 335 790	D 4.8
TOTAL EQUIPMENT EXPENSE	1 516 428	1 693 069	D 10.4	4 890 826	5 083 587	D 3.7
TRANSPORTATION-TRAIN & YARD	2 562 081	3 036 874	D 15.6	9 194 415	9 158 163	D 10.5
TRANSPORTATION-SPEC. SERV. & ADM.	382 482	366 059	4.4	1 164 017	1 100 317	5.7
GENERAL AND ADMINISTRATIVE	607 883	641 735	D 5.2	1 901 532	1 922 870	D 1.1
TOTAL OPERATING EXPENSES	6 500 484	7 322 026	D 11.2	20 142 425	21 442 625	D 6.0
NET REVENUE FROM RAILWAY OPERATIONS	112 065	641 865	D 82.5	882 428	1 756 893	D 49.7
OTHER INCOME	314 081	336 600	D 6.6	973 390	910 416	6.9
DIVIDENDS FROM AFFILIATES	67 283	22 286	201.9	150 075	107 905	39.0
EQUITY IN UNDISTR. EARN. OF AFFIL.	DEF 11 182	49 268	D 122.6	18 746	492 857	D 93.5
TOTAL INC. FROM AFFILIATED COS.	56 101	71 554	D 21.5	166 821	400 762	D 57.8
MISCELLANEOUS DEDUCTIONS	63 158	76 092	D 17.0	169 619	196 148	D 13.5
INCOME AVAILABLE FOR FIXED CHARGES	419 091	973 927	D 56.9	1 855 020	2 871 923	D 35.4
FIXED CHARGES						
INTEREST ON FUNDED DEBT	250 889	275 293	D 8.8	768 875	792 899	D 3.0
INTEREST ON UNFUNDED DEBT	8 242	11 215	D 26.5	26 646	41 485	D 35.7
AMORT. OF DISCOUNT ON FUNDED DEBT	2 166	2 529	D 14.3	8 179	8 005	2.1
TOTAL FIXED CHARGES	261 297	289 037	D 9.5	803 700	842 299	D 4.5
INCOME AFTER FIXED CHARGES	157 794	684 890	D 76.9	1 051 320	2 029 624	D 48.2
OTHER DEDUCTIONS	4 472	8 042	D 44.3	13 349	16 008	D 16.6
UNUSUAL OR INFREQ. ITEMS (DR.) CR.	39 000	19 677	98.2	60 761	18 022	237.1
INCOME (LOSS) FR. CONT. OPER. BEFORE INC. TAX	192 322	696 525	D 72.3	1 098 732	2 031 638	D 45.9
INCOME TAXES ON ORDINARY INCOME	DEF 88 184	DEF 255 630	D 65.5	13 485	DEF 57 842	D 123.3
PROVISION FOR DEFERRED INCOME TAXES	119 464	472 185	D 74.6	338 125	647 183	D 47.7
INCOME (LOSS) FR. CONT. OPER. AFTER INC. TAX	161 042	479 970	D 66.4	747 122	1 442 097	D 48.1
INCOME (LOSS) FR. OPER. OF DISCONT. SEG.	0	0		0	0	
GAIN (LOSS) ON DISP. OF DISCONT. SEG.	0	0		0	0	
ORDINARY INCOME	161 042	479 970	D 66.4	747 122	1 442 097	D 48.1
EXTRAORDINARY ITEMS (NET)	0	4 277	D 100.0	0	11 852	D 100.0
INCOME TAXES ON EXTRAORDINARY ITEMS	0	0		0	0	
PROV. FOR DEF. TAXES-EXTRAORD. ITEMS	0	325	D 100.0	0	1 025	D 100.0
CUM. EFFECT OF CHANGES IN ACCT. PRIN.	0	0		0	0	
NET INCOME (AFTER EXTRAORDINARY ITEMS)	161 042	483 922	D 66.7	747 122	1 452 924	D 48.5
INCOME FROM LEASE OF ROAD & EQUIP.	DEF 40	749	D 105.3	2 045	4 092	D 49.5
RENT FOR LEASED ROADS & EQUIPMENT	33 687	9 737	245.9	54 564	26 391	107.0
NET RAILWAY OPERATING INCOME	114 512	434 298	D 73.6	583 337	1 189 651	D 50.9
CASH FLOW	598 972	1 206 961	D 50.3	1 996 817	2 700 434	D 26.0
RATIOS						
RATIO TO OPERATING REVENUES						
OPERATING EXPENSES	98.3	91.9		95.8	92.4	
OPERATING EXPENSES (INC. INC. TAXES)	98.7	94.0		97.4	94.9	
NET RAILWAY OPERATING INCOME	1.7	5.4		2.7	5.1	

RATE OF RETURN ON PROPERTY INVESTMENT [a]

Year Ended Sept. 30

(Thousands)

	Net Investment		Net Railway Operating Income		Rate of Return [b]	
	1982	1981	1982	1981	1982	1981
EASTERN DISTRICT	$ 9 716 620	$ 9 200 076	$ 250 983	$ 6 749	1.92%	2.68%
SOUTHERN DISTRICT	7 268 937	6 928 185	371 983	417 293	2.18	6.75
WESTERN DISTRICT	18 011 628	17 276 627	737 645	914 509	2.27	5.86
UNITED STATES	34 997 185	33 404 888	1 360 611	1 338 551	2.16	5.17

RAILROAD REVENUES, EXPENSES, AND INCOME

THIRD QUARTER 1982 and 1981

Class I Railroads in the United States

(dollars in millions)

DISTRICT and RAILROAD	FREIGHT REVENUE ACCOUNT 101		TOTAL OPERATING REVENUES		TOTAL OPERATING EXPENSES		NET RAILWAY OPERATING INCOME		ORDINARY INCOME	
	1982	1981	1982	1981	1982	1981	1982	1981	1982	1981
EASTERN DISTRICT										
BALTIMORE & OHIO	$ 207	$ 270	$ 217	$ 281	$ 220	$ 267	$ 3	$ 13	$ -5	$ 9
BESSEMER & LAKE ERIE	18	33	23	35	21	23	2	8	2	10
BOSTON & MAINE	29	29	30	30	31	32	-2	-2	-1	-1
CHESAPEAKE & OHIO	231	298	243	315	228	246	26	46	23	57
CONRAIL	672	851	822	1 019	885	1 042	-63	-21	-25	-33
DELAWARE & HUDSON	26	29	27	30	30	33	-2	-2	-4	-5
DETROIT, TOLEDO & IRONTON	15	21	16	21	19	22	-3	-1	-4	-1
ELGIN, JOLIET & EASTERN	12	17	19	28	19	26	0	0	0	2
GRAND TRUNK WESTERN	54	50	58	53	59	54	-1	-1	-2	-2
LONG ISLAND	3	4	103	102	115	109	-11	-5	-12	-7
NORFOLK & WESTERN	365	482	380	502	364	357	17	80	38	93
PITTSBURGH & LAKE ERIE	10	23	10	24	15	16	-4	1	-5	21
WESTERN MARYLAND	21	22	22	23	17	21	2	2	3	2
EASTERN DISTRICT TOTAL	1 663	2 130	1 970	2 465	2 025	2 247	-37	117	10	147
SOUTHERN DISTRICT										
CLINCHFIELD	25	30	25	30	24	21	1	10	0	0
FLORIDA EAST COAST	21	24	22	24	19	22	1	1	3	2
ILLINOIS CENTRAL GULF	186	236	206	258	238	267	-28	-7	-30	-17
LOUISVILLE & NASHVILLE	257	318	261	324	254	287	11	35	-1	28
SEABOARD COAST LINE	269	316	276	328	270	312	13	14	15	52
SOUTHERN RY. SYSTEM	378	454	387	464	367	383	29	55	26	48
SOUTHERN DISTRICT TOTAL	1 135	1 380	1 177	1 429	1 153	1 292	27	107	13	114
WESTERN DISTRICT										
ATCHISON, TOPEKA & SANTA FE	515	600	524	614	485	567	34	40	30	31
BURLINGTON NORTHERN	912	1 022	934	1 045	895	967	32	58	48	65
CHICAGO & NORTH WESTERN	182	218	208	245	215	253	-6	-5	-13	-12
CHICAGO, MILW., ST. PAUL & PAC.	76	89	88	104	105	125	-17	-21	3	3
DENVER & RIO GRANDE WESTERN	67	86	69	87	66	76	3	7	2	7
DULUTH, MISSABE & IRON RANGE	11	40	11	41	16	26	-3	7	-2	9
KANSAS CITY SOUTHERN	69	77	73	81	67	68	5	11	3	8
MISSOURI-KANSAS-TEXAS	54	85	58	89	55	64	3	6	1	4
MISSOURI PACIFIC	398	461	409	474	375	420	33	42	23	35
ST. LOUIS SOUTHWESTERN	75	95	76	96	70	84	5	8	5	6
SOO LINE	68	84	69	85	67	76	2	5	3	8
SOUTHERN PACIFIC CO.	457	542	473	558	488	566	-3	5	7	4
UNION PACIFIC	424	515	430	523	378	457	37	54	28	42
WESTERN PACIFIC	43	47	43	48	44	53	0	-7	-1	9
WESTERN DISTRICT TOTAL	3 350	3 942	3 466	4 070	3 323	3 782	125	210	138	219
GRAND TOTAL - UNITED STATES	6 148	7 452	6 613	7 964	6 500	7 322	115	434	161	480

RAILROAD REVENUES, EXPENSES, AND INCOME

NINE MONTHS ENDED SEPTEMBER 30, 1982 and 1981

Class I Railroads in the United States

(dollars in millions)

DISTRICT and RAILROAD	FREIGHT REVENUE ACCOUNT 101		TOTAL OPERATING REVENUES		TOTAL OPERATING EXPENSES		NET RAILWAY OPERATING INCOME		ORDINARY INCOME	
	1982	1981	1982	1981	1982	1981	1982	1981	1982	1981
EASTERN DISTRICT										
BALTIMORE & OHIO	$ 679	$ 750	$ 710	$ 777	$ 717	$ 741	$ 1	$ 24	$ -6	$ 37
BESSEMER & LAKE ERIE	52	81	64	87	63	60	1	13	4	19
BOSTON & MAINE	88	87	91	92	94	93	-2	-1	1	1
CHESAPEAKE & OHIO	763	711	800	744	720	689	54	30	86	86
CONRAIL	2 171	2 546	2 631	3 047	2 721	3 120	-88	-71	-21	-102
DELAWARE & HUDSON	82	86	85	90	92	96	-6	-6	-13	-11
DETROIT, TOLEDO & IRONTON	50	64	52	66	63	65	-10	1	-12	-2
ELGIN, JOLIET & EASTERN	42	51	69	67	61	73	3	5	6	9
GRAND TRUNK WESTERN	177	162	186	170	185	168	3	4	1	1
LONG ISLAND	10	15	307	265	338	313	-28	-25	-32	-29
NORFOLK & WESTERN	1 307	1 247	1 355	1 294	1 086	989	157	165	220	198
PITTSBURGH & LAKE ERIE	35	59	37	63	48	55	-9	3	-13	19
WESTERN MARYLAND	64	64	66	66	53	58	6	5	8	5
EASTERN DISTRICT TOTAL	5 519	5 922	6 455	6 867	6 238	6 521	82	147	232	232
SOUTHERN DISTRICT										
CLINCHFIELD	76	77	77	78	67	58	11	21	0	0
FLORIDA EAST COAST	66	75	67	77	59	68	4	5	9	10
ILLINOIS CENTRAL GULF	623	714	683	775	763	790	-74	-11	-67	-26
LOUISVILLE & NASHVILLE	832	926	848	943	805	851	48	87	19	63
SEABOARD COAST LINE	857	969	885	999	869	925	29	69	70	154
SOUTHERN RY. SYSTEM	1 191	1 310	1 220	1 340	1 047	1 080	115	175	113	160
SOUTHERN DISTRICT TOTAL	3 645	4 072	3 780	4 212	3 610	3 771	152	345	144	360
WESTERN DISTRICT										
ATCHISON, TOPEKA & SANTA FE	1 558	1 700	1 589	1 805	1 492	1 670	81	106	57	84
BURLINGTON NORTHERN	2 729	2 965	2 792	3 056	2 672	2 797	88	169	103	197
CHICAGO & NORTH WESTERN	537	660	610	756	634	742	-19	18	-23	-1
CHICAGO, MILW., ST. PAUL & PAC.	249	271	284	310	315	356	-31	-47	-10	181
DENVER & RIO GRANDE WESTERN	220	246	225	251	208	216	13	20	12	20
DULUTH, MISSABE & IRON RANGE	44	87	45	90	51	67	-4	10	-1	14
KANSAS CITY SOUTHERN	227	221	237	232	208	196	24	29	15	20
MISSOURI-KANSAS-TEXAS	169	194	179	206	167	190	13	17	4	12
MISSOURI PACIFIC	1 260	1 384	1 301	1 424	1 150	1 245	124	137	95	113
ST. LOUIS SOUTHWESTERN	261	284	265	289	232	252	23	26	27	20
SOO LINE	212	240	217	245	200	238	10	26	13	25
SOUTHERN PACIFIC CO.	1 502	1 665	1 551	1 715	1 407	1 697	-44	27	1	26
UNION PACIFIC	1 343	1 575	1 381	1 599	1 218	1 367	97	167	79	129
WESTERN PACIFIC	132	142	134	144	139	149	-3	-7	-1	-4
WESTERN DISTRICT TOTAL	10 437	11 741	10 790	12 120	10 294	11 151	369	698	371	830
GRAND TOTAL - UNITED STATES	19 601	21 735	21 025	23 200	20 142	21 443	583	1 190	747	1 442

TOTAL OPERATING REVENUES, EXPENSES, ORDINARY INCOME, NET RAILWAY OPERATING INCOME, REVENUE TON—MILES AND CAPITAL EXPENDITURES

CLASS I RAILROADS IN THE UNITED STATES [d/]
BY QUARTERS, 1978-1982

(All amounts in millions)

Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
TOTAL OPERATING REVENUES					
1978	$ 4 772	$ 5 752	$ 5 397	$ 5 915	$ 21 836
1979	5 710	6 573	6 478	6 851	25 612
1980	6 802	6 943	6 995	7 517	28 257
1981	7 660	7 582	7 964	7 697	30 905
1982	7 190	7 222	6 613		
TOTAL OPERATING EXPENSES					
1978	$ 4 903	$ 5 372	$ 5 266	$ 5 581	$ 21 122
1979	5 587	6 057	6 343	6 422	24 409
1980	6 380	6 559	6 602	6 809	26 350
1981	6 954	7 174	7 332	7 113	28 572
1982	6 821	6 821	6 500		
ORDINARY INCOME (After Fixed Charges)					
1978	Def.$ 255	$ 233	$ 28	$ 246	$ 252
1979	20	430	40	318	808
1980	264	174	148	544	1 130
1981	626	336	480	580	2 040
1982	216	340	161		
NET RAILWAY OPERATING INCOME					
1978	Def.$ 133	$ 270	$ 57	$ 257	$ 451
1979	57	387	57	299	800
1980	294	263	244	541	1 342
1981	475	278	434	192	1 373
1982	204	365	115		
REVENUE TON-MILES					
1978	188 552	230 959	210 982	227 612	858 105
1979	207 945	239 009	229 572	237 173	913 699
1980	233 002	227 197	222 377	236 045	918 621
1981	236 597	222 516	227 534	225 058	911 705
1982	207 428	208 026	186 000[b/]		
CAPITAL EXPENDITURES					
1978	$ 560	$ 680	$ 612	$ 886	$ 2 738
1979	669	767	856	1 033	3 325
1980	855	898	772	1 096	3 621
1981	926	710	550	668	2 854
1982	417	513	n/a		

Def. - Denotes Deficit

[a/] Rate of return is calculated on the net investment in road and equipment, less interest during construction and debit balances in other elements of investment plus working capital as calculated under Rail Form A procedures. The rate of return does not contain adjustments for investment tax credits as prescribed by the Commission in Ex Parte 393 due to lack of available data on a quarterly basis. It is estimated that the Ex Parte 393 formula would produce a slightly lower return for the majority of carriers than does the formula used above.

[b/] The 1981 and 1982 rate of return calculations are based on year end 1981 and 1980 net investment, respectively.

[c/] Differences in totals and subtotals are due to rounding.

[d/] Data for 1978 and first three quarters of 1979 include Chicago, Rock Island and Pacific Railroad. The Rock Island is included in Ton-Mile figures for year end 1979.

Economics & Finance Department
American Railroads Building
Washington, D.C. 20036
(202) 835-9361